

COASTAL CONSERVANCY

Staff Recommendation

May 29, 2014

PUERCO CANYON ACQUISITION

Project No. 14-014-01

Project Manager: Joan Cardellino

RECOMMENDED ACTION: Authorization to disburse up to \$1,500,000 to the Mountains Recreation and Conservation Authority to acquire 703 acres of undeveloped land in Puerco Canyon, for open space, habitat and resource preservation, and public access in the Santa Monica Mountains, Los Angeles County.

LOCATION: Puerco Canyon, Santa Monica Mountains, Los Angeles County

PROGRAM CATEGORY: Reservation of Significant Coastal Resource Areas, Public Access

EXHIBITS

Exhibit 1: [Location Map](#)

Exhibit 2: [Site Map and Photos](#)

Exhibit 3: [Support Letters](#)

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31350-31356 and 31400-31410 of the Public Resources Code regarding reservation of coastal resource areas and public access to the coast respectively:

“The State Coastal Conservancy hereby authorizes disbursement of up to one million five hundred thousand dollars (\$1,500,000) to the Mountains Recreation and Conservation Authority (MRCA) to acquire 703 acres of contiguous, undeveloped lots in the Santa Monica Mountains (Los Angeles County Assessor’s Parcel Numbers 4457-005-012, 015, 017, 027, 028; 4457-004-056 – 4457-004-071; and 4458-031-001, 002, collectively “the property”) subject to the following conditions:

1. Prior to the disbursement of funds for acquisition, MRCA shall submit for the review and approval of the Executive Officer of the Conservancy all relevant acquisition documents, including, but not limited to, appraisal(s), environmental assessments, agreement of purchase and sale, escrow instructions, and documents of title necessary to the acquisition.
 2. MRCA shall pay no more than fair market value for the property.
-

3. MRCA shall permanently dedicate the property for open space, habitat and resource preservation, and public access in a manner acceptable to the Executive Officer.
4. MRCA shall acknowledge Conservancy funding by erecting and maintaining on the property a sign or signs that have been reviewed and approved by the Executive Officer.”

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed authorization is consistent with Chapter 8 of Division 21 of the Public Resources Code, regarding reservation of significant coastal resource areas, and with Chapter 9, regarding provision of public coastal access.
2. The proposed project is consistent with the current Conservancy Project Selection Criteria and Guidelines.
3. The proposed project will serve greater than local needs.”

PROJECT SUMMARY:

Staff recommends authorization to disburse up to \$1,500,000 to the Mountains Recreation and Conservation Authority (MRCA) to acquire 703 acres of undeveloped land in Puerco Canyon, for open space, habitat and resource preservation, and public access in the Santa Monica Mountains, Los Angeles County.

The Santa Monica Mountains encompass a rare biome that can be found in only four other locations on the planet, totaling a mere two percent of the Earth’s land mass. The Puerco Canyon property is an outstanding example of this unique Mediterranean biome. Its range of vegetation communities includes chaparral, coastal sage scrub, sycamore-willow woodland, native grasslands, and oak woodland habitat. This is a signature assemblage of habitats from the coastal side of the Santa Monica Mountains.

The proposed acquisition helps to solve one of the biggest stewardship and ecological challenges faced within this environmentally significant area: the checkerboard of private-public lands within the Santa Monica Mountains National Recreation Area (SMMNRA). SMMNRA, which is publicly owned and protected open space land, is permeated by more than 70,000 acres of developable private lands. Due to this patchwork of private-public land ownership within the SMMNRA, development is a continuous landscape level threat.

The Puerco Canyon property provides important linkage between the 1,000-acre Corral Canyon Park and the 8,000-acre Malibu Creek State Park and would secure a large block of the Santa Monica Mountains coastal core habitat with uncommonly gentle terrain. Acquisition of the property will protect drainages in three distinct watersheds: Puerco Canyon, Corral Canyon, and Malibu Canyon watersheds. These drainages are key central Santa Monica Mountains watersheds and comprise crucial connection hubs for intra-mountain range wildlife movement.

Regional public recreational activities such as hiking, mountain biking, horseback riding and bird watching will expand with acquisition of this property, as it would facilitate construction of a key section of the Coastal Slope Trail. The MRCA, in partnership with California State Parks, the National Park Service, the County of Los Angeles, and the Santa Monica Mountains Conservancy, is acquiring rights-of-way for the Coastal Slope Trail. The Coastal Slope Trail alignment stretches for 70 miles from Point Mugu Lagoon to Los Liones Canyon in Topanga State Park. This trail project has been designated by the County General Plan for decades. Extensive work and funding have gone into securing public rights of ways for the trail from Kanan-Dume Road to the eastern rim of Corral Canyon in Corral Canyon Park. The next leg of the trail eastward would cross the 703-acres of property in Puerco Canyon. Because of the area's core habitat value the property offers excellent opportunity for visitors to see a wide variety of wildlife. A trailhead would be necessary at the southern property boundary off Puerco Canyon Road.

This is a limited opportunity acquisition. The County of Los Angeles and MRCA have been in regular contact with the owner's broker, as negotiations date back to 2010. The County and the property owner have entered into an option agreement for the purchase of the property, with a non-refundable option payment of \$750,000 (paid by the County), which will be applied to the purchase price, and a total purchase price of 12 million dollars. The County will assign the option agreement to MRCA, which will then purchase the property with funding from the County, WCB and the Conservancy, as detailed in the "Project Financing" section, below. The purchase price of 12 million dollars is supported by a current, updated appraisal of the property, which has valued the property at 12.3 million dollars. At WCB request, the appraisal has been reviewed and approved by the California Department of General Services. If MRCA is not able to secure and/or guarantee the necessary funds to acquire this property, the owner may sell it to a private party within weeks. Currently, the property does not have any coastal development entitlements. However, the 703-acre project site is comprised of 24 legal parcels and at least 18 certificates of compliance. The landowner has secured two active Approvals in Concept from Los Angeles County towards permitting development of the Project site. For example the Assessor's maps show more legal parcels within the 703-acre ownership than several years ago. The property has an existing dirt road network and scattered pads that were graded prior to the adoption of the California Coastal Act as part of a pig farm in the 1950s. Recent applications for Coastal Development Permits for single parcels in large clusters of affiliated LLC-owned parcels in the subject section of Malibu have presented a major challenge to voluntarily securing public trail easements. The subject property is at a crossroads between development and permanent conservation. It is critical to act now while the 24 legal parcels are still available under a single ownership.

MRCA is a joint powers agency formed in 1985 to manage open space and parkland, watershed lands, trails and wildlife habitat in Los Angeles and Ventura counties. It currently manages and provides ranger services for almost 69,000 acres of land both within and outside the Santa Monica National Recreation Area. The addition of this property is not anticipated to significantly impact existing operations. The MRCA manages the adjacent Corral Canyon Park trailhead and nearby Malibu Bluffs Park on Pacific Coast Highway and has maintenance and sworn rangers on that Pacific Coast Highway "Malibu Parks Route" every day of the year. The property will be managed along with other MRCA owned open space in the vicinity.

Site Description: The property is mainly situated in the Puerco Canyon Watershed that drains directly into Santa Monica Bay approximately 0.8 miles downstream from the property. However, drainages of the Corral Canyon and Malibu Canyon watersheds are also within the property boundaries. The property encompasses the entire headwaters of Puerco Canyon. The property contains 17,314 linear feet of USGS blue line stream. The property features gentle terrain ranging from 620 feet above sea level to ridges as high as 1,840 feet above sea level. Mixed riparian vegetation lines the tributaries and includes western sycamore, arroyo willow, and coast live oak. Upland sections of the property support coastal sage scrub, native grassland, and mixed chaparral. The site also has the potential to support several listed plants and animals, since the property supports essential habitat requirements for many of these species.

Project History: The subject property has been on the acquisition work programs of both the Santa Monica Mountains Conservancy and the SMMNRA since the inception of both entities. The MRCA first appraised the subject property in 2010 but could not assemble the funding. There is no equivalent remaining land assemblage in the Santa Monica Mountains. The Coastal Conservancy helped fund the acquisition of the MRCA's 810-acre Corral Canyon Park, which shares a multi-thousand-foot-long boundary with the subject property.

PROJECT FINANCING:

Coastal Conservancy	\$1,500,000
Los Angeles County Proposition A	5,250,000
Los Angeles County (Option Payment)	750,000
Wildlife Conservation Board	<u>4,500,000</u>
Project Total	\$12,000,000

Conservancy funds for this project are expected to come from an appropriation to the Conservancy from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84). Proposition 84 authorizes the use of bond funds for protection of coastal watersheds, projects to protect the natural habitat values of coastal watersheds, and projects that promote access to and enjoyment of the coastal resources of the state. The proposed acquisition will protect over 700 acres of rare native habitat from development, protect several coastal watersheds, and provide public access along the Coastal Slope Trail.

For acquisition projects that protect natural resources, Proposition 84 also requires that the Conservancy give priority to projects that meet at least one of the criteria specified in Public Resources Code Section 75071(a)-(e). The proposed acquisition satisfies four of the specified criteria:

(a) Landscape/Habitat Linkages: properties that link to, or contribute to linking, existing protected areas with other large blocks of protected habitat. Linkages must serve to

connect existing protected areas, facilitate wildlife movement or botanical transfer, and result in sustainable combined acreage. The Puerco Canyon property provides essential habitat linkage between 1,000-acre Corral Canyon Park and 8,000-acre Malibu Creek State Park and would secure a large block of the Santa Monica Mountains coastal core habitat. The property's 703-acres are located in the southeast corner of a 23.1 square-mile core habitat - that is not bisected by a single paved road.

- (b) Watershed Protection: projects that contribute to long-term protection of and improvement to the water and biological quality of the streams, aquifers, and terrestrial resources of priority watersheds of the major biological regions of the state as identified by the Resources Agency.* The property is mainly situated in the Puerco Canyon Watershed that drains directly into Santa Monica Bay approximately 0.8 miles downstream from the property. However, drainages of the Corral Canyon and Malibu Canyon watersheds are also within the property boundaries. The property includes the entire headwaters of Puerco Canyon and contains 17,314 linear feet of USGS blue line stream.
- (c) Properties that support relatively large areas of under-protected major habitat types.* Mixed riparian vegetation lines the tributaries on the Puerco Canyon property and includes western sycamore, arroyo willow, and coast live oak. Upland sections of the property support coastal sage scrub, native grassland, and mixed chaparral. The site also has the potential to support several listed plants and animals, since the property supports essential habitat requirements for many of these species.
- (e) Properties for which there is a non-state matching contribution toward the acquisition, restoration, stewardship or management costs. Matching contributions can be either monetary or in the form of services, including volunteer services.* Los Angeles County is providing over half the funding for the acquisition.

Finally, as required by Section 75701, Conservancy staff has submitted to the Resources Agency and has posted on the Conservancy's website an explanation as to how the proposed acquisition meets the criteria of that section.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

This project is consistent with the Conservancy's enabling legislation, Division 21 of the Public Resources Code (PRC), specifically Chapters 8 and 9 regarding reservation of significant coastal resources and public coastal access, respectively.

Chapter 8 of Division 21 (PRC §§31350-31356) vests in the Conservancy the authority to ensure the reservation of significant coastal resource areas that would otherwise be lost to public use (PRC §31350). Consistent with §31351, the Conservancy is cooperating with another public agency to ensure the reservation of the Puerco Canyon property for recreational and wildlife habitat purposes and to meet the objectives of the Coastal Act. As discussed below, the proposed acquisition is consistent with the habitat and access protection policies of the Coastal Act. (See "Consistency with the Coastal Act," below).

The proposed authorization is also consistent with PRC §31352, which provides that the Conservancy may award a grant to a public agency for the purposes specified in Section 31351 if that entity would otherwise be unable, due to limited financial resources, to acquire such property. Without the Conservancy funding proposed here, the MRCA would lack adequate funding to acquire the Puerco Canyon parcels.

Chapter 9 of Division 21 (PRC §§31400-31410) mandates that the Conservancy have a principal role in the implementation of a system of public accessways to and along the coast (PRC §31400).

Under §31400.1, the Conservancy may award grants to any public agency to acquire land for public access purposes to and along the coast if the Conservancy has determined that the access way will serve more than local public needs. The Puerco Canyon property will provide the opportunity for access along the coast and, in particular will allow for the extension of the Coastal Slope Trail. Moreover, as detailed in the “Consistency with Conservancy’s Project Selection Criteria & Guidelines” section, below, the SMMNRA is host to 33 million visitors each year from all over the world and the Puerco Canyon property, once acquired and incorporated into the public lands of SMMNRA, will likewise serve many users from outside the region.

Under §31400.2, the Conservancy may provide up to the total cost of the acquisition of interests in land by a public agency, with the amount of funding determined by the total amount available for coastal access projects, the fiscal resources of the applicant, and the urgency of the project relative to other eligible projects. Consistent with this section, the amount of proposed Conservancy funding for the acquisitions has been determined with an understanding of the balance of Proposition 84 funds available to the Conservancy, the resource value of the property, the readiness of the seller relative to other properties in the Santa Monica Mountains, and the financial limitations of the MRCA.

Finally, this project is located within the coastal zone portion of the Santa Monica Mountains Zone (the SMM Zone). Accordingly, under PRC §31117, the Conservancy is required to inform the Santa Monica Mountains Conservancy (SMMC), which also has jurisdiction over the SMM Zone, of the proposed Puerco Canyon acquisition project and ensure that it does not disapprove the project. As required by §31117, SMMC is fully informed of and supports the project (see Exhibit 3, Project Letters) and, as a member agency of MRCA, is involved with carrying out the acquisition.

CONSISTENCY WITH CONSERVANCY’S 2013 STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):

Consistent with the Conservancy’s 2013-2018 Strategic Plan **Goal 2, Objectives 2A and 2C**, the proposed project serves to expand opportunities for access to and along the coast and coastal trails and to acquire land to allow for development of new coastal accessways.

Consistent with **Goal 4, Objective 4A**, the proposed authorization will enable MRCA to protect significant coastal and watershed resource properties totaling 703 acres.

Consistent with **Goal 4, Objective 4C**, the acquisition and preservation of these properties will preserve wildlife corridors, namely for mountain lions, deer and coyotes, between coastal and inland habitat areas and core habitat areas in the Santa Monica Mountains.

**CONSISTENCY WITH CONSERVANCY'S
PROJECT SELECTION CRITERIA & GUIDELINES:**

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines, last updated on November 10, 2011, in the following respects:

Required Criteria

- 1. Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.
- 2. Consistency with purposes of the funding source:** See the "Project Financing" section above.
- 3. Support of the public:** Agency support for this project includes National Park Service, Santa Monica Mountains Conservancy, California State Parks, Santa Monica Mountains Resource Conservation District, Mountains Recreation Conservation Authority, and Los Angeles County.
- 4. Location:** The proposed project would be located within the coastal zone of Los Angeles County.
- 5. Need:** The MRCA and Wildlife Conservation Board are unable to acquire the property at this time without Conservancy funds. If not publicly acquired now, the current property owner is likely to pursue sale with a private buyer for residential development consistent with the zoning.
- 6. Greater-than-local interest:** An estimated 33 million people from all over the world visit the SMMNRA each year. It is the nation's largest urban national park. The park includes more than 500 miles of recreation trails and 47 miles of beaches, all adjacent to a metropolitan region of more than 17 million people. It is a highly popular scenic and recreational destination. In addition, the Santa Monica Mountains area hosts a diverse population of rare and sensitive wildlife species, such as the steelhead trout, and provides habitat for over 450 vertebrate animal species, including coyote, bobcat, and mountain lion.
- 7. Sea level rise vulnerability:** The project site is not vulnerable to sea level rise because of its distance from the shoreline and elevation.

Additional Criteria

- 8. Urgency:** The property is highly desirable for residential development and the owner is motivated to sell.
- 9. Leverage:** See the "Project Financing" section above.
- 10. Readiness:** Escrow is scheduled to close in June 2014.

11. Realization of prior Conservancy goals: “See “Project History” above.”

17. Vulnerability to Climate Change Other Than Sea Level Rise: The conservation of this property will add to the amount of protected core habitat area available for species to adapt to changing climate conditions. Ensuring large habitat blocks and connectivity between those blocks is the best strategy for increasing ecosystem resilience. The diverse topography of the site also facilitates vertical migration of plant communities.

18. Minimization of greenhouse gas emissions: Acquisition in fee will eliminate the potential for residential development on the site and its associated emissions generated by site preparation, construction and use.

CONSISTENCY WITH THE COASTAL ACT:

The proposed project is located within the Santa Monica Mountains area in the coastal zone. The properties lie within an area that does not have a certified LCP. Thus, the project will be analyzed for consistency with Coastal Act policies (PRC §§30000 et seq.).

The proposed project is consistent with §30210 of the Coastal Act which states that “maximum access, which shall be conspicuously posted, and recreational opportunities shall be provided for all the people consistent with the public safety needs and the need to protect public rights, rights of private property owners, and natural resource areas from overuse.” Further, §30233 states that upland areas necessary to support coastal recreational uses shall be reserved for such uses, where feasible. Public acquisition of the Puerco Canyon properties will make it possible to provide an essential link in the Coastal Slope Trail (CST) from the existing section of the CST in Corral Canyon to the to-be-built Pepperdine CST segment. Regarding land resources, Section 30240 provides that environmentally sensitive habitat areas (“ESHA”) shall be protected against any significant disruption of habitat values, and only uses dependent upon those resources shall be allowed within those areas. The acquisition of this property will ensure that the designated ESHA is protected in perpetuity. Pursuant to Section 30001.5, one of the goals of the Coastal Act is to protect and maintain the overall quality of the coastal zone environment. Acquiring the Puerco Canyon property for open space and habitat protection is consistent with this goal.

COMPLIANCE WITH CEQA:

The proposed project is categorically exempt from review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines, 14 Cal. Code, §15313, as an acquisition of lands for wildlife conservation purposes in order to preserve wildlife habitat and preserve access to public land remaining in its natural condition, and pursuant to §15325, as a transfer of ownership in land to preserve open space and existing natural habitat.

Staff will file a notice of exemption upon Conservancy approval of the project.